

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Michael Kubayanda, Chairman;
Ashley E. Poling, Vice Chairwoman;
Mark Acton;
Ann C. Fisher; and
Robert G. Taub

Public Inquiry on Modification of Service
Performance Measurement Systems for
Market Dominant Products

Docket No. PI2021-3

ORDER APPROVING MODIFICATIONS TO MARKET DOMINANT
SERVICE PERFORMANCE MEASUREMENT SYSTEMS AND CLOSING DOCKET

(Issued September 28, 2021)

I. INTRODUCTION

On August 31, 2021, the Postal Service filed a notice, pursuant to 39 C.F.R. § 3055.5, proposing modifications to its market dominant service performance measurement systems.¹ The systems that are the subject of this proceeding were approved for implementation on July 5, 2018, in Docket No. PI2015-1.² The most recent version of the Postal Service's Service Performance Measurement (SPM) Plan

¹ United States Postal Service Notice of Filing Changes to Service Performance Measurement Plan Document, August 31, 2021 (Notice).

² Docket No. PI2015-1, Order Approving Use of Internal Measurement Systems, July 5, 2018 (Order No. 4697); Docket No. PI2015-1, Errata to Order No. 4697, August 21, 2018 (Order No. 4771).

was filed in May 2019.³ Accompanying the Notice is a library reference, which contains a copy of the newly proposed SPM Plan, revised August 31, 2021 (both redline and clean versions).⁴

On September 3, 2021, the Commission issued Order No. 5975 to establish Docket No. PI2021-3 for consideration of the Postal Service's service performance measurement system proposals.⁵ This Order also published notice of the proceeding in the *Federal Register*, appointed a Public Representative to represent the interests of the public, and established a deadline for interested persons to submit written comments.

The American Postal Workers Union, AFL-CIO (APWU), the National Postal Policy Council (NPPC), the National Newspaper Association and News Media Alliance (NNA/NMA), the Association for Postal Commerce (PostCom), and the Public Representative submitted comments in this docket.⁶

On September 24, 2021, the Postal Service filed a notice of the filing of an errata in order to address the Public Representative's comments.⁷ This Errata was accompanied by a library reference containing the Postal Service's revised SPM Plan.⁸

³ See Docket No. PI2019-1, Library Reference USPS-LR-PI2019-1/1, May 21, 2019.

⁴ Library Reference USPS-LR-PI2021-3/1, August 31, 2021. This Library Reference contained three PDF documents: file "USPS_Preface_PI2021-3_LR1 – 083121.pdf" (Preface), file "iSPM_RevPlan_BLACK-LINE – 083121.pdf" (Blackline), and file "iSPM_RevPlan_RED-LINE – 083121.pdf" (Redline). The Redline document shows all the changes that the Postal Service is making from the previous iteration and the Blackline document shows how these changes will appear if they are approved.

⁵ Notice and Order Initiating Proceeding to Consider Modifications to Market Dominant Service Performance Measurement Systems, September 3, 2021 (Order No. 5975).

⁶ Comments of the American Postal Workers Union, AFL-CIO on Changes to the Service Performance Measurement Plan, September 16, 2021 (APWU Comments); Comments of the National Postal Policy Council, September 17, 2021 (NPPC Comments); Comments of the National Newspaper Association and News Media Alliance, September 17, 2021 (NNA/NMA Comments); Comments of the Association for Postal Commerce, September 17, 2021 (PostCom Comments); Public Representative Comments, September 17, 2021 (PR Comments).

⁷ Notice of United States Postal Service of Filing Errata to United States Postal Service Notice of Filing Changes to Service Performance Measurement Plan Document, September 24, 2021 (Errata).

⁸ Library Reference USPS-LR-PI2021-3/2, file "iSPM_RevPlan_BLACK-LINE – 092421.pdf," September 24, 2021. This contains, in relevant part, a revised blackline version of the revised SPM Plan (Revised Blackline).

After a thorough review of the proposed changes and consideration of the comments received, the Commission approves the changes to the Postal Service's service performance measurement systems. The Commission recommends that the Postal Service also review the Public Representative's comments regarding its geographic system and the formatting of certain figures, as discussed below, to determine if any changes are feasible and appropriate.

II. PROPOSED CHANGES

The Postal Service's Notice in this docket identifies two material changes to the current SPM system. First, the Postal Service's proposed modifications add reporting for 3-day, 4-day, and 5-day service standards for First-Class Mail in place of the current 3-5-day service standard. Notice at 1. The Postal Service asserts that the purpose of this change is to align service performance reporting with the upcoming service standard changes that take effect on October 1, 2021. *Id.* Second, the Postal Service also proposes replacing certain references to external SPM with internal SPM, consistent with Order No. 5576.⁹

III. COMMENTS

APWU, NPPC, NNA/NMA, PostCom, and the Public Representative all filed comments in this docket. APWU suggests several general changes to the Postal Service's service performance measurement system that it asserts will improve its accuracy, reliability, representativeness, and objectivity. First, APWU proposes that the Postal Service "add reporting to identify early delivery as well as the precise number of days for late deliveries up to eight-days or more," therefore "reporting on the exact number of days it took for mail to be delivered rather than simply whether mail was delivered within its service standard." APWU Comments at 1. Second, it suggests that,

⁹ See *id.* at 1-2. See also Docket No. PI2019-1, Order Granting Request and Approving Use of Internal Service Performance Measurement System, July 1, 2020 (Order No. 5576).

in addition to the Postal Service's current reporting system based on its own geographic designations, the Postal Service "begin reporting performance data for each state and territory." *Id.* at 1-2. Third, APWU proposes that the Postal Service report its service performance data on a weekly and monthly basis in addition to its current practice of reporting quarterly and annually. *Id.* at 2. Finally, APWU suggests that the Commission "review how it makes performance reports available to the general public and how it integrates public opinion and feedback into the determinations of successful performance." *Id.*

NPPC highlights remittance mail as holding "enormous importance both to individuals who use it to submit payments, and to the businesses that rely upon it for revenues," and asserts that the changes to service standards that were the subject of Docket No. N2021-1 could negatively affect remittance mail specifically. NPPC Comments at 1-2. Therefore, NPPC states, the Postal Service should measure the service performance for remittance mail separately from "the much broader Single-Piece Letters/Cards" category in order to avoid masking these issues. *Id.* at 2. NPPC also states that "the Commission should initiate a proceeding, pursuant to 39 U.S.C. § 3652(e)(2), to improve the accuracy of the reports of service quality provided to remittance mail." *Id.* at 3.

NNA/NMA state that they "have no objection to the changes to the reporting system for First-Class mail." NNA/NMA Comments at 1. However, they "urge the Commission to take this opportunity to improve the reporting on all mail performance by inquiring about the scope of current reporting on mail that is not covered by the measurement system," asserting specifically that Postal Service's reports should "identify and quantify the percentages of mail volumes that are not reflected in its periodic reports" and explain "the steps it is taking to bring those volumes into service measurement." *Id.* (emphasis omitted).

PostCom asserts that "the plan proposed by the Postal Service is inadequate and requires significant modification if the interests of postal customers are to be protected." PostCom Comments at 1. First, PostCom states that by "report[ing] scores

by District for mail that now falls under a three-to-five-day standard by each discreet delivery standard, *i.e.*, separate reporting for four-day and five-day mail,” the Postal Service will render “meaningful comparisons with FY2021 results impossible.” *Id.* at 1-2. PostCom, therefore, urges the Commission to “require that the Postal Service continue to measure and report on service performance relative to the existing standards indefinitely.”¹⁰ Second, PostCom requests that the Commission “use this opportunity to reconsider the granularity of reporting categories”—for instance, by measuring categories such as remittance mail and ballot mail. PostCom Comments at 2-3. Third, PostCom asks the Commission to consider alternative approaches to service performance measurement—such as reporting by origination/destination pairs rather than administrative districts and by identifying mean days to delivery. *Id.* at 3-4. Fourth, PostCom states that “the Commission should increase emphasis on the quantity of mail that is escaping measurement.” *Id.* at 4. Finally, PostCom, like NPPC, states that the Commission should “initiate a separate rulemaking proceeding to develop a performance review and reporting process” to address service performance measurement holistically. *Id.* at 5-6.

The Public Representative states that, in terms of the Postal Service’s two substantive changes—“align[ing] their SPM Plan with the upcoming service standard changes” and “identif[ying] language that made reference to external SPM and replac[ing] it with” language relating to the internal SPM system—“the Postal Service has completed the requested task” and “finds no substantive reason that these changes to the SPM plan should not be accepted.” PR Comments at 2-3, 4, 6. He also identifies

¹⁰ *Id.* at 2. The Commission reiterates that, under 39 C.F.R. §§ 3055.20 and 3055.45, the Postal Service is obligated to continue reporting the service performance for the 3-4-5-day service standard. See Docket No. RM2009-11, Order Establishing Final Rules Concerning Periodic Reporting of Service Performance Measurements and Customer Satisfaction, May 25, 2010, Appendix at 5, 7, 9 Tables 2-A, 3-A-1, 3-A-2 (Order No. 465); Docket No. RM2009-11, Notice of Proposed Rulemaking On Periodic Reporting of Service Performance Measurements and Customer Satisfaction, September 2, 2009, at 17, 20, 39, 41-42 (Order No. 292).

a number of “basic formatting and consistency errors” that are addressed in more detail below. *Id.* at 5-6.

IV. COMMISSION ANALYSIS

As discussed above and explained by the Postal Service:

The two material changes to the SPM Plan are: (A) the addition of reporting for Three-Day, Four-Day, and Five-Day service standards for First-Class Mail in place of just the Three-To-Five-Day service standard to align with the upcoming service standard changes taking effect on October 1, 2021, that the Postal Service described in Docket No. N2021-1 and adopted in its final rule published on August 11, 2021; and (B) the replacement of certain references to external SPM with internal SPM, consistent with Order No. 5576.

Notice at 1-2 (internal footnote omitted).

In terms of the addition of reporting for 3-day, 4-day, and 5-day service standards for First-Class Mail, the Commission approves the proposed changes. These changes adequately align the SPM Plan to the service standard changes described in Docket No. N2021-1. The Commission reiterates that “the scope of this docket is limited to the Postal Service’s proposed revisions to the SPM Plan, not the propriety of the underlying service standard changes, which the Commission addressed in Docket No. N2021-1.” Order 5975 at 2.

In terms of the replacement of references to the external SPM, the Commission also approves these changes. The Commission finds that these revisions to the SPM Plan adequately align with those reflected in Order No. 5576.

Additionally, the Public Representative, after reviewing the library references that accompanied the Notice, identified a number of clerical errors in the SPM Plan, which the Commission addresses below:

- The Public Representative noted that “[b]oth the ‘Table of Tables’ and ‘Table of Figures’ sections have formatting issues.” PR Comments at 4. Specifically, he notes that Table 10-1, Figure 10-1 (labeled as “Figure 1-1”), Figure 10-6, and Figure 10-7 are improperly formatted and/or potentially mislabeled. *Id.* The Commission observes that

these errors appear to be corrected in the Revised SPM Plan. See Revised Blackline at 4-5. However, these corrections appear to have led to further issues in that the pages listed in the Table of Figures don't necessarily correspond with the appropriate page in the body of the text. Compare Revised Blackline at 5 (Table of Figures showing that Figure 10-6 appears on page 50), with Revised Blackline at 51-52 (containing Figure 10-6). There also appears to be inconsistencies with whether table titles are listed with or without internal dashes (*i.e.*, "Table 10-1" or "Table 10 1"). Revised Blackline at 4.

- The Public Representative notes that the Postal Representative properly excised language related to the antiquated geographic area and district system but "did not replace this language with a description of the new relevant areas." PR Comments at 4. Therefore, he "suggests the Postal Service include a map or more elaborate descriptions of relevant postal areas and their subordinate postal districts." *Id.* The Commission agrees that this would be a helpful tool and recommends that the Postal Service include such a description or visual depiction going forward.
- The Public Representative identifies a formatting error in which "[a] sentence from Section 9.8 Stamp Fulfillment Services (SFS) appears to have merged with Section 9.9 Green Card Return Receipt – Current State." *Id.* at 5 (citing Blackline at 40). The Commission observes that these errors appear to be corrected in the Revised SPM Plan. See Revised Blackline at 41.
- The Public Representative identifies a spelling error in which the Postal Service presumably intended to write "event" but instead wrote "even." PR Comments at 5 (citing Blackline at 45-46). The Commission observes that this error appears to be corrected in the Revised SPM Plan. See Revised Blackline at 47.
- The Public Representative states that certain Postal Service's figures (10-4, 10-6, 10-9, 10-11) in the Blackline document all include faded elements that, when compared to the corresponding Redline document, create confusion and inconsistencies. PR Comments at 5. The Postal Service appears not to have made any changes to these figures in its Revised SPM Plan. See Revised Blackline at 50, 52, 56, 58. The Commission recommends that the Postal Service review these figures and determine if and how it could amend said figures to provide more clarity.
- The Public Representative identifies an instance in which the Postal Service refers to a "proposed SPM system" and states that "[r]eference

to a ‘proposed’ system implies the potential existence of a legacy system [and is] something that the Public Representative thinks Order No. 4945 said to clean up.” *Id.* at 5 (citing Blackline at 64). The Commission observes that the Postal Service addressed this change in the Revised SPM Plan. See Revised Blackline at 65.

- The Public Representative identifies two occurrences of a message stating “Error! Reference source not found” in the Carrier Route section of the Mail Classification Schedule (MCS) Product List. PR Comments at 5 (citing Blackline at 68). The Commission observes that these errors appear to be corrected in the Revised SPM Plan. See Revised Blackline at 69.

In terms of the comments made by APWU, NPPC, NNA/NMA, and PostCom, the Commission finds that these suggestions are outside the scope of the current docket, which was opened to consider only those changes to the SPM Plan proposed in the Postal Service’s Notice. See Order No. 4697 at 35 n. 47, 48 (stating that certain suggestions made by commenters not directly related to the service performance measurement changes at issue were “beyond the scope of this docket”). Nevertheless, the commenters have presented interesting and important questions and recommendations concerning the measurement and reporting of service performance generally. Therefore, the Commission will review these comments carefully and as suggested by NPPC and PostCom, initiate a rulemaking docket in the future to consider ways in which the accuracy, clarity, and effectiveness of the 39 C.F.R. part 3050 can be improved.

V. CONCLUSION

The Commission finds that the changes to the Postal Service’s service performance measurement systems adequately update the SPM Plan to reflect the additional reporting for the 3-day, 4-day, and 5-day service standards for First-Class Mail and the move to internal SPM (consistent with Order No. 5576). As discussed previously, the Commission also recommends that the Postal Service review the Public Representative’s comments regarding its geographic system and the formatting of certain figures. Such potential changes are not dependent upon this docket remaining

open. The Postal Service has the option of either filing the revised document under any future docket established for considering additional service performance measurement system modifications, or filing under Docket No. PI2021-3 if no additional modifications are forthcoming.

VI. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the changes to the Service Performance Measurement Plan as presented in the United States Postal Service Notice of Filing Changes to Service Performance Measurement Plan Document, filed August 31, 2021, and corrected in the Notice of United States Postal Service of Filing Errata to United States Postal Service Notice of Filing Changes to Service Performance Measurement Plan Document, filed, September 24, 2021.
2. Docket No. PI2021-3, Public Inquiry on Modification of Service Performance Measurement Plan for Market Dominant products, is hereby closed.

By the Commission.

Erica A. Barker
Secretary